

104TH CONGRESS
1ST SESSION

H. R. 1945

To amend the Internal Revenue Code of 1986 to provide that the value of qualified historic property shall not be included in determining the taxable estate of a decedent.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 1995

Mr. BATEMAN (for himself, Mr. SHAW, Mr. HOUGHTON, Mr. McCRERY, Mr. COLLINS of Georgia, Mr. PAYNE of Virginia, Mr. TAYLOR of North Carolina, Mr. BLILEY, Mr. SISISKY, Mr. BOUCHER, and Mr. PICKETT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the value of qualified historic property shall not be included in determining the taxable estate of a decedent.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCLUSION FROM ESTATE TAX FOR HISTORIC**
4 **PROPERTY SUBJECT TO PRESERVATION**
5 **EASEMENT.**

6 (a) IN GENERAL.—Part IV of subchapter A of chap-
7 ter 11 of the Internal Revenue of 1986 (relating to taxable

1 estate) is amended by adding at the end the following new
2 section:

3 **“SEC. 2057. QUALIFIED HISTORIC PROPERTY.**

4 “(a) GENERAL RULE.—For purposes of the tax im-
5 posed by section 2001, the value of the taxable estate shall
6 be determined by deducting from the value of the gross
7 estate an amount equal to the value of any qualified his-
8 toric property included in the gross estate.

9 “(b) QUALIFIED HISTORIC PROPERTY.—

10 “(1) IN GENERAL.—For purposes of this sec-
11 tion, the term ‘qualified historic property’ means any
12 historic property if—

13 “(A) on or before the date on which the re-
14 turn of the tax imposed by section 2001 is filed,
15 a qualified real property interest described in
16 section 170(h)(2)(C) in such property is held by
17 a qualified organization for the purpose de-
18 scribed in section 170(h)(4)(A)(iv), and

19 “(B) such property is covered by an agree-
20 ment meeting the requirements of paragraph
21 (4) which is entered into on or before such
22 date.

23 Such term includes personal property included within, or
24 associated with, qualified historic property (as defined in
25 the preceding sentence) if such personal property is cov-

1 ered by the agreement referred to in subparagraph (B)
2 which covers such qualified historic property.

3 “(2) HISTORIC PROPERTY.—For purposes of
4 paragraph (1), the term ‘historic property’ means—

5 “(A) a certified historic structure (as de-
6 fined in section 170(h)(4)(B)), and

7 “(B) any other real property to the extent
8 reasonably necessary for public view and visita-
9 tion of such structure.

10 “(3) QUALIFIED ORGANIZATION.—For the pur-
11 poses of paragraph (1), the term ‘qualified organiza-
12 tion’ has the meaning given to such term by section
13 170(h)(3).

14 “(4) REQUIREMENTS FOR AGREEMENT.—For
15 the purposes of paragraph (1), an agreement meets
16 the requirements of this paragraph if—

17 “(A) such agreement is a written agree-
18 ment signed by each person in being who has
19 an interest (whether or not in possession) in the
20 historic property (other than the qualified orga-
21 nization),

22 “(B) such agreement is entered into with
23 a State historic preservation agency (or similar
24 State agency) and filed with the Secretary with
25 the return of the tax imposed by section 2001,

1 “(C) such agreement provides that the his-
2 toric property will be open to the public for a
3 period of at least 20 years beginning on the
4 date on which the return of the tax imposed by
5 section 2001 is filed, and

6 “(D) such agreement provides that any ad-
7 mission fees (if any) shall bear a reasonable re-
8 lationship to admission fees for other com-
9 parable tourist sites and shall be approved by
10 such State historic preservation agency (or
11 similar State agency).

12 The 20-year period referred to in subparagraph (C)
13 shall be suspended during reasonable periods of ren-
14 ovation.

15 “(5) OPEN TO THE PUBLIC.—For the purposes
16 of paragraph (4)(C), a property shall be treated as
17 being open to the public for any year if a substantial
18 portion of the property is open for public visitation
19 for at least 8 hours per day and 6 days per week
20 during at least any 32 weeks of such year.

21 “(6) TREATMENT OF QUALIFIED HISTORIC
22 PROPERTY HELD BY A CORPORATION.—In the case
23 of a corporation all of the stock in which was held
24 on the date of the decedent’s death by the decedent
25 or members of the decedent’s family (as defined in

1 section 2032A(e)(2)), stock in such corporation shall
2 be treated for purposes of this section as qualified
3 historic property to the extent that the value of such
4 stock is attributable to qualified historic property
5 held by such corporation.

6 “(c) TAX TREATMENT OF DISPOSITIONS AND FAIL-
7 URE TO COMPLY WITH AGREEMENT.—

8 “(1) IMPOSITION OF ADDITIONAL ESTATE
9 TAX.—If, during the 20-year period referred to in
10 subsection (b)(4)(C)—

11 “(A) any person signing the written agree-
12 ment referred to in subsection (b)(4) disposes
13 of any interest in the qualified historic prop-
14 erty, or

15 “(B) there is a violation of any provision
16 of such agreement (as determined under regula-
17 tions prescribed by the Secretary),

18 then there is hereby imposed an additional estate
19 tax.

20 “(2) EXCEPTION WHERE TRANSFEREE AGREES
21 TO BE BOUND BY AGREEMENT.—No tax shall be im-
22 posed under paragraph (1) by reason of any disposi-
23 tion if the person acquiring the property agrees to
24 be bound by the agreement referred to in subsection
25 (b)(4) and to be liable for any tax under this sub-

1 section in the same manner as the person disposing
2 such property.

3 “(3) AMOUNT OF ADDITIONAL TAX.—The
4 amount of the additional tax imposed by paragraph
5 (1) with respect to any property shall be an amount
6 equal to—

7 “(A) the excess of—

8 “(i) what would (but for subsection
9 (a)) have been the tax imposed by section
10 2001 (reduced by the credits allowable),
11 over

12 “(ii) the tax imposed by section 2001
13 (as so reduced), multiplied by

14 “(B) the fraction—

15 “(i) the numerator of which is the
16 number of months remaining after the
17 month in which the disposition or violation
18 occurs in the 20-year period referred to in
19 subsection (b)(4)(C), and

20 “(ii) the denominator of which is 240.

21 “(4) DUE DATE.—The additional tax imposed
22 by this subsection shall be due and payable on the
23 day which is 6 months after the date of the disposi-
24 tion or violation referred to in paragraph (1).

1 “(5) LIABILITY FOR TAX.—Any person signing
 2 the agreement referred to in subsection (b)(4) (other
 3 than the executor) shall be personally liable for the
 4 additional tax imposed by this subsection. If more
 5 than 1 person is liable under this subsection, all
 6 such persons shall be jointly and severally liable.

7 “(6) CERTAIN OTHER RULES TO APPLY.—Rules
 8 similar to the rules of sections 2013(f) and 2032A(f)
 9 shall apply for purposes of this subsection.

10 “(d) COORDINATION WITH DEDUCTION FOR TRANS-
 11 FER OF EASEMENT.—Section 2055(f) shall not apply to
 12 any interest referred to therein with respect to property
 13 for which a deduction is allowed under subsection (a).”

14 (b) TECHNICAL AMENDMENTS.—

15 (1) Subparagraph (A) of section 2056A(b)(10)
 16 of such Code is amended by inserting “2057,” after
 17 “2056,”.

18 (2) The table of sections for part IV of sub-
 19 chapter A of chapter 11 of such Code is amended by
 20 adding at the end the following new item:

 “Sec. 2057. Qualified historic property.”

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply with respect to the estates of dece-
 23 dents dying after the date of the enactment of this Act.

